

Food and Drink Federation response to the CMA consultation on environmental sustainability agreements

11th April 2023

This submission is made by the Food and Drink Federation, which is the voice of the UK food and drink manufacturing industry, the largest manufacturing sector in the country, with a footprint in every parliamentary constituency. Our industry has a turnover of more than £113 billion, accounting for 20% of total UK manufacturing, and Gross Value Added (GVA) of more than £33 billion. Food and drink manufacturers directly employ over 450,000 people across every region and nation of the UK. 97% of our industry is small and medium-sized businesses.

In carrying out our work we take competition law duties seriously and have a compliance policy which governs the conduct of FDF members' dealings with FDF. We ensure all meetings with members begin with reference to competition law rules, seek legal advice where appropriate and have clear guidance on our website.

We welcome the consultation on the draft guidance to create a more permissive regime on the application of the competition rules to agreements between competitors or potential competitors in relation to environmental sustainability agreements, in particular climate change agreements as defined in your guidance. In principle we are supportive of the approach set out in the consultation as sustainability is one of our five strategic pillars. The food system has a vital role to play in hitting the UK's Net Zero targets and is therefore a priority for both the FDF and our members. Indeed, from farm-to-fork, our industry's ambition is to reach Net Zero by 2040, 10 years ahead of the Government's statutory target.

We are in the process of developing a new sustainability strategy for our sector which we expect to contain stretching targets for our members. Like the CMA we believe that climate change and sustainability provide a serious challenge for our industry, consumers and society.

We will take all steps possible to ensure our strategy will not infringe the Chapter I prohibition. But as it develops, if we believe CMA guidance would be beneficial to ensure the same or indeed see some opportunities to increase its impact along the lines of the case studies in the guidance document, we welcome the proposal of an "open-door policy" to seek informal advice.

Areas that our members feel need particular attention are in agreeing environmental metrics, with challenges around Scope 3 supply chain emissions at the forefront, alongside requirements to robustly assess bio-diversity enhancing offsetting schemes. We would also welcome guidance on how issues that are the direct result of climate change will be treated, for example water stress and scarcity.

Regards
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Director of Sustainability and Growth
Food and Drink Federation

The UK Food and Drink Manufacturing Industry

The Food and Drink Federation (FDF) is the voice of the UK food and drink manufacturing industry, the largest manufacturing sector in the country. Our industry has a turnover of more than £113 billion, accounting for 20 per cent of total UK manufacturing, and Gross Value Added (GVA) of more than £33 billion. Food and drink manufacturers directly employ over 450,000 people across every region and nation of the UK. Exports of food and drink make an increasingly important contribution to the economy, approaching £25 billion in 2022, and going to over 220 countries worldwide. The UK's 12,460 food and drink manufacturers sit at the heart of a food and drink supply chain which is worth £116 billion to the economy and employs 4.3 million people.

The following Associations actively work with the Food and Drink Federation:

ABIM	Association of Bakery Ingredient Manufacturers
BCA	British Coffee Association
BOBMA	British Oats and Barley Millers Association
BSIA	British Starch Industry Association
BSNA	British Specialist Nutrition Association
CIMA	Cereal Ingredient Manufacturers' Association
EMMA	European Malt Product Manufacturers' Association
FCPPA	Frozen and Chilled Potato Processors Association
FOB	Federation of Bakers
GFIA	Gluten Free Industry Association
PPA	Potato Processors Association
SNACMA	Snack, Nut and Crisp Manufacturers' Association
SSA	Seasoning and Spice Association
UKAPY	UK Association of Producers of Yeast
UKTIA	United Kingdom Tea & Infusions Association Ltd

FDF also delivers specialist sector groups for members:

Ice Cream Group
Organic Group
Seafood Industry Alliance
CBD Group